

**AUDITED FINANCIAL STATEMENT AND OTHER DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016**

**I BALANCE SHEET**

	GROUP 31 December 2015 Shs. '000'	GROUP 31 December 2016 Shs. '000'	BANK 31 December 2015 Shs. '000'	BANK 31 December 2016 Shs. '000'
<b>A ASSETS</b>				
1 Cash ( both Local & Foreign)	254,887	303,548	253,697	292,289
2 Balances due from Central Bank of Kenya	452,911	534,460	452,911	534,460
3 Kenya Government and other securities held for dealing purposes				
4 Financial Assets at fair value through profit and loss				
5 Investment Securities:				
a) Held to Maturity:	<b>1,022,901</b>	<b>1,470,111</b>	<b>1,022,901</b>	<b>1,470,111</b>
a. Kenya Government securities	1,022,901	1,470,111	1,022,901	1,470,111
b. Other securities				
b) Available for sale:	<b>258,649</b>	<b>732,443</b>	<b>258,649</b>	<b>732,443</b>
a. Kenya Government securities	212,288	696,234	212,288	696,234
b. Other securities	46,362	36,209	46,362	36,209
6 Deposits and balances due from local banking institutions	446,200	343,658	446,200	343,658
7 Deposits and balances due from banking institutions abroad	127,960	93,892	127,960	93,892
8 Tax recoverable	7,287	-	7,463	-
9 Loans and advances to customers (net)	7,087,728	7,899,394	7,087,728	7,899,394
10 Balances due from banking institutions in the group				
11 Investments in associates				
12 Investments in subsidiary companies		-		1,000
13 Investments in joint ventures				
14 Investment properties				
15 Property and equipment	247,358	305,043	247,315	305,013
16 Prepaid lease rentals				
17 Intangible assets	131,236	133,039	130,775	132,682
18 Deferred tax asset	142,629	125,065	142,629	125,076
19 Retirement benefit asset				
20 Other assets	117,766	297,236	108,856	271,950
<b>21 TOTAL ASSETS</b>	<b>10,297,513</b>	<b>12,237,889</b>	<b>10,287,085</b>	<b>12,201,968</b>
<b>B LIABILITIES</b>				
22 Balances due to Central Bank of Kenya				
23 Customer deposits	7,267,037	9,135,301	7,267,037	9,135,301
24 Deposits and balances due to local banking institutions	1,494,209	315,305	1,494,209	315,305
25 Deposits and balances due to foreign banking institutions				
26 Other money market deposits				
27 Borrowed funds				
28 Balances due to banking institutions in the group				
29 Tax payable		28,178		26,861
30 Dividends payable				
31 Deferred tax liability				
32 Retirement benefit liability				
33 Other liabilities	143,799	295,252	133,884	264,927
<b>34 TOTAL LIABILITIES</b>	<b>8,905,045</b>	<b>9,774,036</b>	<b>8,895,130</b>	<b>9,742,394</b>
<b>C SHAREHOLDERS' FUNDS</b>				
35 Paid up /Assigned capital	1,339,745	1,949,163	1,339,745	1,949,163
36 Share premium/(discount)	108,901	457,977	108,901	457,977
37 Revaluation reserves				
38 Retained earnings/Accumulated losses	(102,667)	20,362	(103,180)	16,083
39 Statutory loan loss reserves	57,921	44,497	57,921	44,497
40 Other Reserves	(11,432)	(8,146)	(11,432)	(8,146)
41 Proposed dividends				
42 Capital grants				
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,392,468</b>	<b>2,463,853</b>	<b>1,391,955</b>	<b>2,459,574</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>10,297,513</b>	<b>12,237,889</b>	<b>10,287,085</b>	<b>12,201,968</b>

**II PROFIT AND LOSS ACCOUNT**

	GROUP 31 December 2015 Shs. '000'	GROUP 31 December 2016 Shs. '000'	BANK 31 December 2015 Shs. '000'	BANK 31 December 2016 Shs. '000'
<b>1.0 INTEREST INCOME</b>				
1.1 Loans and advances	1,066,398	1,382,773	1,066,398	1,382,773
1.2 Government securities	121,251	167,693	121,251	167,693
1.3 Deposits and placements with banking institutions	24,169	18,804	24,169	18,804
1.4 Other Interest Income	6,662	5,220	6,662	5,220
<b>1.5 Total interest income</b>	<b>1,218,480</b>	<b>1,574,490</b>	<b>1,218,480</b>	<b>1,574,490</b>
<b>2.0 INTEREST EXPENSE</b>				
2.1 Customer deposits	557,148	724,279	557,148	724,384
2.2 Deposits and placement from banking institutions	42,677	47,413	42,677	47,413
2.3 Other interest expenses				
<b>2.4 Total interest expenses</b>	<b>599,825</b>	<b>771,692</b>	<b>599,825</b>	<b>771,797</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>618,655</b>	<b>802,798</b>	<b>618,655</b>	<b>802,693</b>
<b>4.0 NON-INTEREST INCOME</b>				
4.1 Fees and commissions on loans and advances	86,976	96,471	86,976	96,471
4.2 Other fees and commissions	80,291	187,978	80,119	178,384
4.3 Foreign exchange trading income/(Loss)	26,476	36,347	26,476	36,347
4.4 Dividend Income				
4.5 Other income	4,267	121,172	4,267	121,172
<b>4.6 Total Non-interest income</b>	<b>198,010</b>	<b>441,968</b>	<b>197,838</b>	<b>432,374</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>816,665</b>	<b>1,244,766</b>	<b>816,493</b>	<b>1,235,067</b>
<b>6.0 OTHER OPERATING EXPENSES</b>				
6.1 Loan loss provision	223,120	150,400	223,120	150,400
6.2 Staff costs	348,893	428,381	347,311	424,550
6.3 Directors' emoluments	42,327	50,065	42,327	50,065
6.4 Rental charges	75,355	84,088	75,355	84,087
6.5 Depreciation charge on property and equipment	50,674	45,043	50,667	45,028
6.6 Amortisation charges	44,958	52,824	44,897	52,720
6.7 Other operating expenses	209,179	270,452	211,364	270,082
<b>6.8 Total Other Operating Expenses</b>	<b>994,506</b>	<b>1,081,253</b>	<b>995,041</b>	<b>1,076,932</b>
<b>7.0 Profit/(loss) before tax and exceptional items</b>	<b>(177,841)</b>	<b>163,513</b>	<b>(178,548)</b>	<b>158,135</b>
8.0 Exceptional items				
<b>9.0 Profit/(loss) after exceptional items</b>	<b>(177,841)</b>	<b>163,513</b>	<b>(178,548)</b>	<b>158,135</b>
10.0 Current tax	(56,248)	53,908	(56,442)	52,296
11.0 Deferred tax	(62,311)		(62,311)	
<b>12.0 Profit/(loss) after tax and exceptional items</b>	<b>(59,282)</b>	<b>109,605</b>	<b>(59,795)</b>	<b>105,839</b>
<b>13.0 Other Comprehensive Income</b>				
Gains/(Losses) from translating the financial statements of foreign				
13.1 operations				
13.2 Fair value changes in available for sale financial assets	2,061	4,694	2,061	4,694
13.3 Revaluation surplus on Property, plant and equipment				
13.4 Share of other comprehensive income of associates				
13.5 Income tax relating to components of other comprehensive income	(618)	(1,408)	(618)	(1,408)
<b>14.0 Other Comprehensive Income for the year net of tax</b>	<b>1,443</b>	<b>3,286</b>	<b>1,443</b>	<b>3,286</b>
<b>15.0 Total comprehensive income for the year</b>	<b>(57,839)</b>	<b>112,891</b>	<b>(58,352)</b>	<b>109,125</b>
<b>16.0 EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>-4.4</b>	<b>5.6</b>	<b>-4.5</b>	<b>5.4</b>
<b>17.0 DIVIDEND PER SHARE -DECLARED</b>				

**III OTHER DISCLOSURES**

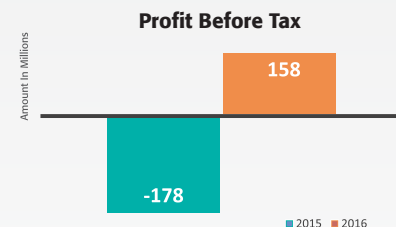
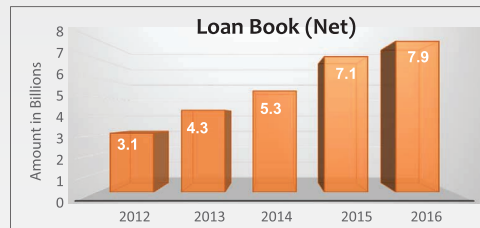
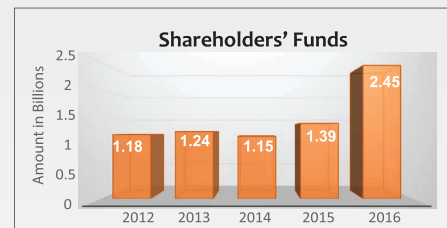
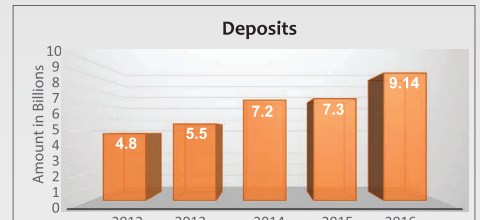
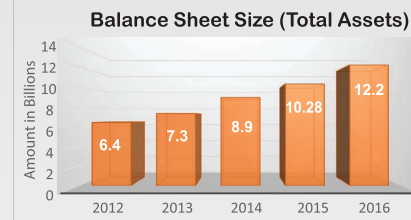
	31 December 2015 Shs. '000'	31 December 2016 Shs. '000'
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>		
(a) Gross Non-performing loans and advances	514,747	676,221
(b) Less: Interest in Suspense	62,325	106,017
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>452,422</b>	<b>570,204</b>
(d) Less: Loan Loss Provision	237,788	355,231
<b>(e) Net Non-Performing Loans and Advances (c-d)</b>	<b>214,634</b>	<b>214,973</b>
(f) Discounted Value of Securities	214,634	214,973
<b>(g) Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>		
(a) Directors, Shareholders and Associates	199,865	240,720
(b) Employees	428,184	482,855
<b>(c) Total Insider Loans and Advances and other facilities</b>	<b>628,049</b>	<b>723,575</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>		
(a) Letters of credit, guarantees, acceptances	1,507,141	3,108,148
(b) Forwards, swaps and options		
(c) Other contingent liabilities	1,570,247	4,870,473
<b>(d) Total Contingent Liabilities</b>	<b>3,077,388</b>	<b>7,978,621</b>
<b>4.0 CAPITAL STRENGTH</b>		
(a) Core capital	1,345,466	2,423,222
(b) Minimum Statutory Capital	1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)	345,466	1,423,222
(d) Supplementary Capital	57,921	44,497
<b>(e) Total Capital (a+d)</b>	<b>1,403,386</b>	<b>2,467,718</b>
(f) Total risk weighted assets	8,963,969	10,800,801
<b>(g) Core Capital/Total deposits Liabilities</b>	<b>17.8%</b>	<b>26.1%</b>
(h) Minimum statutory Ratio	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	9.8%	18.1%
<b>(j) Core Capital / total risk weighted assets</b>	<b>14.2%</b>	<b>22.4%</b>
(k) Minimum Statutory Ratio	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	3.7%	11.9%
<b>(m) Total Capital/total risk weighted assets</b>	<b>14.9%</b>	<b>22.8%</b>
(n) Minimum statutory Ratio	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	0.4%	8.3%
<b>14 LIQUIDITY</b>		
14.1 <b>(a) Liquidity Ratio</b>	<b>16.5%</b>	<b>32.7%</b>
14.2 (b) Minimum Statutory Ratio	20.0%	20.0%
14.3 (c) Excess (Deficiency) (a-b)	-3.5%	12.7%

The above Profit and Loss Account and Balance Sheet are extracts of financial statements audited by PriceWaterhouseCoopers and received an unqualified opinion. A full set of the financial statements is available from the Company Secretary, our offices or institution's website [www.creditbank.co.ke](http://www.creditbank.co.ke) The financial statements were approved by the Board of Directors on **21st March 2017**

**Chege Thumbi**  
Chief Executive Officer

**Moses Mwendwa**  
Director

Visit our website : [www.creditbank.co.ke](http://www.creditbank.co.ke) for more information



For more information contact us on:

☎ 020 2283000 | 0728 607701 | 0738 222300 📧 [customerservice@creditbankltd.co.ke](mailto:customerservice@creditbankltd.co.ke)

[www.creditbank.co.ke](http://www.creditbank.co.ke)